



TO: Boards of Assessors  
FROM: Marilyn H. Browne, Chief, Bureau of Local Assessment  
DATE: June 15, 2012  
TOPIC: CERTIFIED PIPELINE VALUATIONS FISCAL YEAR 2013

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The Commissioner of Revenue has determined and hereby certifies the full and fair cash valuation of taxable pipelines used for the transmission of natural gas, petroleum or their products or by-products with a distance of twenty-five miles or more as of January 1, 2012. These valuations are certified for fiscal year 2013 under Massachusetts General Laws Chapter 59, Section 38A. The property owner or the board of assessors must appeal the valuations to the Appellate Tax Board (ATB) on or before July 15, 2012.

#### *Taxable Properties*

The Commissioner values only those designated pipeline assets that are taxable under the General Laws. With respect to a pipeline corporation, only poles, wires, underground conduits, pipes and machinery used in manufacture is subject to central valuation and taxation under M.G.L. c. 59, § 18, Second and M.G.L. c. 59, § 5, cl. 16(1). A pipeline company doing business as a partnership, trust or limited liability company (LLC) is subject to central valuation and taxation on all machinery and equipment used to provide pipeline service, including Federal Energy Regulatory Commission's Uniform Code of Accounts - 368 (compressor station equipment), 369 (measuring and regulating station equipment), 370 (communication equipment) and 371 (other equipment). M.G.L. c. 59, § 38A; M.G.L. c. 59 § 18, First and Sixth; See also RCN-BecoCom, LLC v. Commissioner of Revenue, 443 Mass. 198 (2005). The Commissioner also values construction work in progress (CWIP).

#### *Company Local Filing Requirements*

With respect to **local filing requirements**, pipeline companies organized as partnerships, trusts, LLCs or other unincorporated legal entities are not entitled to any corporate property tax exemptions. M.G.L. c. 59, § 5, cl. 16; M.G.L. c. 63, §§ 30(1), 30(2), 38A, 52A and 68C. The Department of Revenue's Bureau of Local Assessment has received FY2013 pipeline data and a listing of all machinery, equipment and other personalty used for pipeline purposes from Algonquin Gas Transmission, LLC, Maritimes & Northeast Pipeline, LLC and Tennessee Gas Pipeline Company, LLC. Except for the centrally valued pipeline property, they are subject to local valuation and assessment on all other personal property situated in the community.

#### *Pipeline Company Issues*

The following describes changes from the prior valuation year:

1. *Algonquin Gas Transmission, LLC* has reported an increase in pipeline, machinery and equipment assets in Massachusetts for this fiscal year. This resulted in a slight value increase.
2. *Maritimes & Northeast Pipeline, LLC* has reported a small decrease in machinery and equipment assets in Massachusetts for this fiscal year. In Massachusetts, some pipeline costs were decreased due to these being preliminary costs on a project that was cancelled and reallocated. Overall, the FY2013 value decreased.
3. *Tennessee Gas Pipeline Company, LLC* was formerly reporting as a corporation. For FY2013, the company changed the form of ownership to a LLC. Therefore, all machinery, equipment and other

personalty used for pipeline purposes is being valued for FY2013. This has resulted in a substantial increase in value for Massachusetts.

4. *Mobil Pipeline Company* is reporting both replacement and additional pipeline in Douglas. This resulted in a slight value increase.

#### *New Growth*

The following companies have new growth:

1. *Algonquin Gas Transmission, LLC* has additional machinery and equipment assets that have been reported this fiscal year.
2. *Tennessee Gas Pipeline Company, LLC* is reporting the machinery and equipment assets for the first time for FY13.
3. *Mobil Pipeline Company* is reporting replacement and additional pipeline in Douglas.

#### *Company List and Addresses*

Centrally valued pipeline company billing names and addresses as reported by the companies are posted on our website for your convenience.

Questions regarding valuations may be directed to Walter Sandoval Dusza at 617-626-4087.